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THRU : Chief, D/S

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Requirements on Soviet Bloc Economic Activities in Brazil

REFERENCE : [REDACTED] 25X1X6

Background Information

Bloc economic overtures to Brazil are focused primarily on expanding trade although there is evidence of Bloc willingness to provide financial and technical assistance to this country. To date, Soviet Bloc economic offensive in Brazil has been evidenced in offers to buy Brazilian agricultural products; to provide complete industrial installations and the services of Bloc technicians; and to extend long term credit on favorable terms for purchases of Bloc equipment. In order to assess the significance of these offers and the extent to which they have been accepted it is necessary for this office to receive detailed information on the activities of each Bloc country in Brazil. An examination of available intelligence information reveals that while the overall picture of Bloc activities is available through State and other non-CIA sources, we are lacking important details. In addition, it would be extremely valuable for us to receive information which might indicate Bloc intentions of offer assistance to Brazil.

Requirements

In view of the above mentioned gaps in intelligence the following requirements are submitted:

1. How many Bloc technicians are in Brazil? Where are they located and on what project are they working? If they are in Brazil to service Brazilian imports of Bloc equipment are they working out of their respective Embassies or Legations? For how long a period are they to stay in Brazil? What is the level of their skill? (Are they supervisors, engineers, mechanics) How are these technicians being paid? Is the cost of technical services rendered included in the price of the equipment?

2. Is there any evidence of competition between Bloc countries in their economic relations with Brazil? Conversely, is there any evidence of coordination?

3. Offers of capital equipment and complete industrial installations are often accompanied with offers to grant credits. What are the exact terms of these credit offers? Is payment to be made in currency? in commodities?



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5. In some of the Latin American countries, Bloc countries have made extremely low bids to supply capital equipment. Is there evidence of Bloc efforts to underbid competitors in Brazil? Does the Bloc take a loss on these projects? What is the procedure employed by the Bloc in making bids?

6. For the most part, Bloc offers of complete industrial installations to Brazil have not been accepted. In the event that they should be accepted, however, we would be interested in receiving information on a continuing basis of the implementation of contracts. In other Latin countries, information of this type has been lacking.



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